

JT'S CORPORATION LIMITED

Report & Financial Statements

Year ended 31 January 2009

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JT'S CORPORATION LIMITED

REPORT & FINANCIAL STATEMENTS

Year ended 31 January 2009

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JT'S CORPORATION LIMITED

Year ended 31 January 2009

DIRECTORS AND OFFICERS

Directors The current directors are

| | |
|-----------------------|-----------------------|
| E New MA (Cantab) ACA | Appointed 31 May 2009 |
| P M Rosser BA ACIS | Appointed 31 May 2009 |
| T Gifford | Appointed 1 July 2009 |

Secretary Alexandra plc

Registered Office Alexandra House
Midland Way
Thornbury
Bristol
BS35 2NT

Auditors Nexia Smith & Williamson LLP
Chartered Accountants and Registered Auditors
Portwall Place
Portwall Lane
Bristol
BS1 6NA

JT'S CORPORATION LIMITED

DIRECTORS' REPORT

Year ended 31 January 2009

The directors submit their report on the financial statements of the company for the year ended 31 January 2009

1. REVIEW OF BUSINESS

The company is principally engaged in the supply, distribution and marketing primarily of clothing products destined for the promotional industry

2. RESULTS AND DIVIDEND

The company is a subsidiary of Alexandra plc and all profits and losses are consolidated into the Group financial statements of Alexandra plc

The directors do not recommend the payment of a dividend

3. DIRECTORS

Along with those noted on page 1, the following directors also held office during the year

| | |
|-------------------------|----------------------|
| J R Budd BSc (ECON) FCA | Resigned 31 May 2009 |
| K P Gibbs ACA | Resigned 31 May 2009 |

According to the register maintained as required under the Companies Act 1985 none of the directors had a beneficial interest in the share capital of the company during the year

The directors' interests in the share capital of the parent undertaking are shown in that company's financial statements

In accordance with the Articles of Association, the directors shall not be required to retire by rotation

4. DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to -

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for ensuring that the directors' report is prepared in accordance with company law in the UK

JT'S CORPORATION LIMITED

DIRECTORS' REPORT - continued

Year ended 31 January 2009

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company finances its day to day operations through the generation of cash from operating activities

Liquidity risk is managed through forecasting the future cash flow requirements of the business

6. GOING CONCERN

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries

The current level of gearing of the group as a whole has caused a breach of bank covenants due to an exceptional stock write down in the parent company. Further details can be found in note 1 (b)

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

7. AUDITORS

Nexia Smith & Williamson LLP have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting

As at the date of approving this report, so far as each director is aware there is no relevant audit information, being information needed by the by the auditors in connection with the preparation of their report, of which the auditors are unaware. All the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are also aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

On behalf of the Board



P M Rosser
On behalf of Alexandra plc
Director

Date

1/3/2010

JT'S CORPORATION LIMITED

REPORT OF THE INDEPENDENT AUDITORS

Independent Auditors' report to the shareholder of JTS Corporation Limited

We have audited the financial statements of JTS Corporation Limited for the year ended 31 January 2009 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2009 and of its profit for the year,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

Emphasis of Matter - going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 1(b) to the financial statements concerning the company's ability to continue as a going concern. These conditions, along with the other matters explained in note 1(b) to the financial statements, describing the uncertainty related to the outcome of the renegotiation of the group's ongoing banking facilities, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Nexia Smith & Williamson LLP

Nexia Smith & Williamson LLP
Registered Auditors
Chartered Accountants

1 March 2010

JT'S CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT**For the year ended 31 January 2009**

| | Note | 2009 £ | 2008 £ |
|---|------|-----------|-----------|
| Turnover | 2 | 250,183 | 421,663 |
| Cost of sales | | (194,849) | (337,132) |
| Gross profit | | 55,334 | 84,531 |
| Administration expenses | | (27,265) | (68,938) |
| Profit on ordinary activities before taxation | 3 | 28,069 | 15,593 |
| Taxation on profit on ordinary activities | 4 | (5,441) | (3,100) |
| Profit for the year | 9 | 22,628 | 12,493 |

All activity arose from continuing operations

Statement of total recognised gains and losses**For the year ended 31 January 2009**

| | | |
|---|--------|--------|
| Profit and total recognised income for the year | 22,628 | 12,493 |
|---|--------|--------|

The accompanying notes on pages 7 to 10 form an integral part of these financial statements

JT'S CORPORATION LIMITED

BALANCE SHEET
As at 31 January 2009

| | Note | 2009 £ | 2008 £ |
|---|------|-----------|-----------|
| <hr/> | | | |
| Current assets | | | |
| Debtors | 5 | 55,929 | 121,058 |
| Cash at bank and in hand | | 113,030 | 368,058 |
| | | <hr/> | <hr/> |
| | | 168,959 | 489,116 |
| Current liabilities | | | |
| Creditors amounts falling due within one year | 6 | (37,212) | (379,997) |
| | | <hr/> | <hr/> |
| Net current assets | | 131,747 | 109,119 |
| | | <hr/> | <hr/> |
| Net assets | | 131,747 | 109,119 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called up share capital | 7 | 10,000 | 10,000 |
| Profit and loss account | 9 | 121,747 | 99,119 |
| | | <hr/> | <hr/> |
| Equity shareholders' funds | 10 | 131,747 | 109,119 |
| | | <hr/> | <hr/> |

Approved on behalf of the Board


P M Rosser
Director

Date 1/3/2009

The accompanying notes on pages 7 to 10 form an integral part of these financial statements

JT'S CORPORATION LIMITED

Notes to the Financial Statements

Year ended 31 January 2009

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom accounting standards

b) Going concern

In determining the appropriate basis of preparation of these accounts, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future, that is, for at least 12 months from the date of signing these accounts

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. An exceptional stock write down in the parent company has led to a breach in bank covenants. The parent company is, in the ordinary course of its business, in discussions with its existing lenders to re-negotiate the facilities to be more aligned to its future requirements.

The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the group should be able to operate within the level of its current banking facility. The group have opened renewal negotiations with its bankers about future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms. At the date of signing these accounts, written commitment has been received that the facility has been extended until 31 March 2010.

After making enquiries, and considering the matters described above, the Directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing these accounts.

c) Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at the rate ruling at the settlement date.

Assets and liabilities denominated in foreign currency are translated at the exchange rate ruling at the balance sheet date.

d) Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services provided in the normal course of business.

e) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on a full provision basis in respect of all timing differences which have originated, but not reversed at the balance sheet date. Timing differences represent the accumulated differences between the Companies taxable profits and its financial profit. Deferred tax assets are recognised to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. A policy of discounting the deferred tax assets and liabilities to reflect the time value of money, has also been adopted.

f) Cash flow statement

The ultimate holding company as at 31 January 2009 is Alexandra plc whose financial statements include a cash flow statement. As permitted under the provisions of Financial Reporting Standard 1, the company has therefore not produced a cash flow statement.

JT'S CORPORATION LIMITED

Notes to the Financial Statements - continued

Year ended 31 January 2009**2 Turnover**

By geographical destination

| | 2009 £ | 2008 £ |
|----------------|----------------|----------------|
| United Kingdom | 246,341 | 410,041 |
| Europe | 3,842 | 11,622 |
| | <u>250,183</u> | <u>421,663</u> |

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is arrived at after charging -

| | 2009 £ | 2008 £ |
|------------------------|-----------|-----------|
| Auditors' remuneration | 1,500 | 1,500 |

Auditors' remuneration is paid by the parent company. No staff or directors were remunerated through the Company.

Costs in relation to non-audit services received have been disclosed on a group basis in the consolidated accounts.

4 Tax on profit on ordinary activities

| | 2009 £ | 2008 £ |
|--|--------------|--------------|
| Taxation on profit on ordinary activities for the year was - | | |
| Current tax | | |
| UK Corporation tax for the year at small companies rate of 20.8% (2008: 19.8%) | 5,850 | 3,100 |
| Adjustments to tax charge in respect of previous years | (409) | - |
| Total current tax | <u>5,441</u> | <u>3,100</u> |

5 Debtors

The following are included in debtors -

| | 2009 £ | 2008 £ |
|--------------------------------|---------------|----------------|
| Trade debtors | 42,189 | 103,617 |
| Issued share capital unpaid | 10,000 | 10,000 |
| Prepayments and accrued income | 3,740 | 7,441 |
| | <u>55,929</u> | <u>121,058</u> |

6 Creditors - amounts falling due within one year

The following amounts are included in creditors falling due within one year -

| | 2009 £ | 2008 £ |
|---------------------------------|---------------|----------------|
| Trade creditors | 6,752 | 5,607 |
| Amounts owed to group companies | 18,244 | 347,741 |
| Taxation and social security | 4,866 | 10,631 |
| Corporation tax | 5,850 | 9,339 |
| Accruals and deferred income | 1,500 | 6,679 |
| | <u>37,212</u> | <u>379,997</u> |

JT'S CORPORATION LIMITED

Notes to the Financial Statements - continued

Year ended 31 January 2009

7. Called up share capital

| | 2009 | 2008 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Allotted and fully paid | | |
| 5,000 A Ordinary shares of £1 each | 5,000 | 5,000 |
| 5,000 B Ordinary shares of £1 each | 5,000 | 5,000 |
| | <u>10,000</u> | <u>10,000</u> |
| Authorised | | |
| 5,000 A Ordinary shares of £1 each | 5,000 | 5,000 |
| 5,000 B Ordinary shares of £1 each | 5,000 | 5,000 |
| | <u>10,000</u> | <u>10,000</u> |

The company was incorporated on 24 June 2003 with authorised share capital of 10,000 ordinary shares of £1 each. On 24 July 2004 a special resolution was passed adopting a change in the company articles of association, the authorised share capital of the company was divided into 5,000 A ordinary shares and 5,000 B Ordinary shares.

The A ordinary shares carry the right to receive any distribution of profits determined by the board. B Ordinary shareholders are not entitled to receive any dividend or other distribution.

The voting rights of the shares are as follows -

- A ordinary shares have the right to receive notice of, and to attend, speak and vote at all general meetings of the company. Each of these shares carries one vote.
- B ordinary shares do not have the right to receive notice of any general meetings of the company or the right to attend, speak or vote at any such general meeting.

On a winding up the surplus assets of the company shall be first paid to the holders of the A ordinary shares. B ordinary shareholders shall be entitled to receive any surplus after the repayment of £10,000,000 per A ordinary share.

8. Guarantees and other financial commitments

The company is registered with H M Customs and Excise as a member of a group for VAT purposes and as a result is jointly and severally liable on a continuing basis for amounts owing by any other member of that group in respect of unpaid VAT.

JT'S CORPORATION LIMITED

Notes to the Financial Statements - continued

Year ended 31 January 2009

9. Profit and Loss Account

| | 2009 | 2008 |
|-----------------------|-------------|-------------|
| | £ | £ |
| As at 1 February 2008 | 99,119 | 86,626 |
| Profit for the year | 22,628 | 12,493 |
| As at 31 January 2009 | 121,747 | 99,119 |

10. Reconciliation of movement in shareholders' funds

| | 2009 | 2008 |
|--|-------------|-------------|
| | £ | £ |
| Shareholders' funds at start of the year | 109,119 | 96,626 |
| Profit for the year | 22,628 | 12,493 |
| Shareholders' funds at end of the year | 131,747 | 109,119 |

11. Ultimate parent company and controlling party

The company is controlled by Alexandra plc by virtue of its shareholding of A shares. The parent undertaking of JT'S Corporation Ltd is Alexandra plc, copies of whose accounts are available from Alexandra House, Thornbury, Bristol, BS35 2NT.

12. Related party transaction

During the year JT'S Corporation Ltd paid management fees of £16,474 (2008: £19,058) and £260,303 (2008: £337,170) for finished goods to Alexandra plc, the parent undertaking. At 31 January 2009 an amount of £18,359 (2008: £347,741) was due to Alexandra plc.